

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re:

FIRST GUARANTY MORTGAGE  
CORPORATION, *et al.*,<sup>1</sup>

Liquidating Debtors.

Chapter 11

Case No. 22-10584 (CTG)

(Jointly Administered)

**Ref. Docket No. 900**

**B2 FIE XI LLC AND LVS II SPE XXXIV LLC’S JOINDER TO MOTION OF PACIFIC  
INVESTMENT MANAGEMENT COMPANY LLC AND PIMCO INVESTMENTS LLC  
TO ENFORCE THE CHAPTER 11 PLAN AND CONFIRMATION ORDER**

B2 FIE XI LLC (the “Prepetition Bridge Lender”) and LVS II SPE XXXIV LLC (the “Cash Flow DIP Lender”) join in the motion [Docket No. 900] (the “Motion”)<sup>2</sup> filed by Pacific Investment Management Company LLC (“PIMCO LLC”) and PIMCO Investments LLC (“PI” and together with PIMCO LLC, the “PIMCO Defendants”) and represent as follows:

**JOINDER TO THE MOTION**

1. The Prepetition Bridge Lender and Cashflow DIP Lender funded more than \$50 million in connection with these chapter 11 cases to allow for the orderly winddown of the above-captioned debtors (collectively, the “Debtors”). The Debtors utilized the funding to, among other things, pay employee severance amounts and fund the remaining mortgage pipeline to ensure that customers could close on their home purchases.

---

<sup>1</sup> The Debtors in these Chapter 11 Cases, along with the last four digits of each Debtor’s federal tax identification number are: First Guaranty Mortgage Corporation (9575); and Maverick II Holdings, LLC (5621). The service address for First Guaranty Mortgage Corporation is 13901 Midway Road, Ste. 102-334, Dallas, Texas 75244.

<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Motion.

2. In addition to the funding, the Prepetition Bridge Lender and Cashflow DIP Lender made many compromises that allowed for confirmation of the *Amended, Modified, and Restated Combined Disclosure Statement and Chapter 11 Plan of First Guaranty Mortgage Corporation and Debtor Affiliate* [Docket No. 671-1] (the “Plan”), including (i) agreeing to a sharing arrangement with unsecured creditors, despite the Debtors’ projections showing only a 10-35% recovery to the Cash Flow DIP Lender and Prepetition Bridge Lender, and (ii) funding the Liquidating Trust and reserves established under the Plan.

3. In exchange for these compromises, the Prepetition Bridge Lender and Cashflow DIP Lender negotiated for themselves and related parties, including the PIMCO Defendants,<sup>3</sup> the Debtor/Estate Release and the injunction set forth under the Plan and the *Findings of Fact, Conclusions of Law and Order (I) Approving Disclosures on a Final Basis and (II) Confirming the Amended Combined Disclosure Statement and Chapter 11 Plan of First Guaranty Mortgage Corporation and Debtor Affiliate* [Docket No. 671] (the “Confirmation Order”). Plan §§ 16.2(a), 16.3; Confirmation Order ¶¶ 35, 39.

4. Kari Crutcher (“Relator”) is now attempting to circumvent the Debtor/Estate Release and injunction by pursuing derivative claims (i.e., alter ego and veil piercing claims) against the PIMCO Defendants in the case captioned *United States ex rel. Crutcher v. First Guaranty Mortgage Corporation*, No. 1:16-cv-03812 (N.D. Ga. Oct 13, 2016) (the “Qui Tam Litigation”). Relator’s prosecution of the Qui Tam Litigation is a direct violation of the

---

<sup>3</sup> The Prepetition Bridge Lender and Cash Flow DIP Lender have explained their relationship to the PIMCO Defendants in prior pleadings. [Docket Nos. 844, ¶ 4; 235-2, ¶ 7]. PIMCO LLC is the investment manager for the Prepetition Bridge Lender and the Cash Flow DIP Lender, and neither of the PIMCO Defendants is the owner of or lender to the Debtors.

Debtor/Estate Release and injunction contained in the Plan and approved by the Confirmation Order. Plan §§ 16.2(a) & 16.3; Confirmation Order ¶¶ 35, 39.

5. The Prepetition Bridge Lender and Cash Flow DIP Lender are entitled to the benefits in the Plan and the Confirmation Order that they obtained for themselves and the PIMCO Defendants as a result of their financial support to these chapter 11 estates and the post-confirmation Trust. Simply put, there would have been no confirmed Plan without the provision of substantial post-petition and post-confirmation financing, and only the Prepetition Bridge Lender and Cash Flow DIP Lender were prepared to provide the Debtors and their creditors that lifeline to a soft landing in bankruptcy. Without financing from the Prepetition Bridge Lender and Cash Flow DIP Lender on advantageous terms to the Debtors' estates, these cases likely would have liquidated in a chapter 7 to the detriment of the Debtors' creditors, employees and those customers with pending mortgage loans.

6. For the foregoing reasons and the reasons set forth in the Motion, the Prepetition Bridge Lender and Cash Flow DIP Lender respectfully request that the Court enforce the releases and the injunction set forth in the Plan and Confirmation Order and grant the Motion.

Dated: August 17, 2023

**GREENBERG TRAURIG, LLP**

/s/ Dennis A. Meloro

Dennis A. Meloro (DE Bar No. 4435)  
222 Delaware Avenue, Suite 1600  
Wilmington, Delaware 19801  
Tel.: (302) 661-7000  
Fax: (302) 661-7360  
Email: melorod@gtlaw.com

Nancy A. Peterman (admitted *pro hac vice*)  
Danny Duerdoth  
77 West Wacker Dr., Suite 3100  
Chicago, Illinois 60601  
Tel.: (312) 456-8400  
Fax: (312) 456-8435  
Email: petermann@gtlaw.com  
duerdothd@gtlaw.com

Eric J. Howe (admitted *pro hac vice*)  
90 South 7th Street, Suite 3500  
Minneapolis, Minnesota 55402  
Tel.: (612) 259-9715  
Email: howee@gtlaw.com

Joseph P. Davis III (admitted *pro hac vice*)  
One International Place, Suite 2000  
Boston, Massachusetts 02100  
Tel.: (617) 310-6000  
Fax: (617) 310-6001  
Email: davisjo@gtlaw.com

*Counsel for B2 FIE XI LLC, as Prepetition  
Bridge Lender, and LVS II SPE XXXIV LLC,  
as Cash Flow DIP Lender*